

HOUSE BILL No. 1967

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-6-6.

Synopsis: Salaries of township officials. Allows a township legislative body to reduce an official's salary to a minimum salary level determined by reducing not more than ten of the previous salary increases that exceeded 3% to 3%.

Effective: July 1, 2003.

Thompson

January 23, 2003, read first time and referred to Committee on Local Government.

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Introduced

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1967

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 36-6-6-10, AS AMENDED BY P.L.21-2002,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2003]: Sec. 10. (a) This section does not apply to the
4 appropriation of money to pay a deputy, an employee, or a technical
5 adviser that assists a township assessor with assessment duties or to an
6 elected township assessor.
7 (b) The township legislative body shall fix the:
8 (1) salaries;
9 (2) wages;
10 (3) rates of hourly pay; and
11 (4) remuneration other than statutory allowances;
12 of all officers and employees of the township.
13 (c) Subject to subsection (d), the township legislative body may
14 reduce the salary of an elected or appointed official ~~However, the~~
15 ~~official is entitled to a salary that is not less than the salary fixed for the~~
16 ~~first year of the term of office that immediately preceded the current~~
17 ~~term of office. as set forth in section 10.5 of this chapter.~~

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(d) Except as provided in subsection (e), the township legislative body may not alter the salaries of elected or appointed officers during the fiscal year for which they are fixed, but it may add or eliminate any other position and change the salary of any other employee, if the necessary funds and appropriations are available.

(e) In a township that does not elect a township assessor under IC 36-6-5-1, the township legislative body may appropriate available township funds to supplement the salaries of elected or appointed officers to compensate them for performing assessing duties. However, in any calendar year no officer or employee may receive a salary and additional salary supplements which exceed the salary fixed for that officer or employee under subsection (b).

(f) If a change in the mileage allowance paid to state officers and employees is established by July 1 of any year, that change shall be included in the compensation fixed for the township executive and assessor under this section, to take effect January 1 of the next year. However, the township legislative body may by ordinance provide for the change in the sum per mile to take effect before January 1 of the next year.

(g) The township legislative body may not reduce the salary of the township executive without the consent of the township executive during the term of office of the township executive as set forth in IC 36-6-4-2.

(h) This subsection applies when a township executive dies or resigns from office. The person filling the vacancy of the township executive shall receive at least the same salary the previous township executive received for the remainder of the unexpired term of office of the township executive (as set forth in IC 36-6-4-2), unless the person consents to a reduction in salary.

SECTION 2. IC 36-6-6-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 10.5. (a) The township legislative body may reduce an official's salary for the next fiscal year to not less than the adjusted amount calculated in STEP FOUR of subsection (b). The reduction shall be made by readjusting:**

(1) previous salary increases of more than three percent (3%) to three percent (3%); and

(2) not more than ten (10) of the previous salary adjustments to the official's salary, up to and including any adjustments taking effect during the current fiscal year.

(b) The township legislative body shall make the readjustment described in subsection (a) as follows:



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STEP ONE: Determine the base salary of the official as set by the township legislative body, in a fiscal year preceding the current fiscal year but not more than eleven (11) fiscal years previous to the current fiscal year.

STEP TWO: Calculate the adjusted salary for the next fiscal year after the fiscal year in STEP ONE as follows:

(A) This clause applies if the official's base salary in STEP ONE was increased by the township legislative body for the next fiscal year by an amount of not more than three percent (3%). The adjusted salary for the next fiscal year is calculated as follows:

(i) Multiply the amount of the official's base salary under STEP ONE by the percentage that the township legislative body increased the base salary in STEP ONE for next fiscal year.

(ii) Add the product under item (i) to the amount of the base salary under STEP ONE.

The sum in item (ii) is the adjusted salary that must be used to calculate the adjusted salary for the next later fiscal year under STEP THREE.

(B) This clause applies if the official's base salary under STEP ONE was increased by the township legislative body for the next fiscal year by more than three percent (3%). The adjusted salary for the next fiscal year is calculated as follows:

(i) Multiply the amount of the official's base salary under STEP ONE by three percent (3%).

(ii) Add the product under item (i) to the amount of the official's base salary under STEP ONE.

The sum in item (ii) is the adjusted salary that must be used to calculate the adjusted salary for the next later fiscal year under STEP THREE.

(C) This clause applies if the official's base salary under STEP ONE was not increased by the township legislative body for the next fiscal year. Multiply the amount of the official's salary determined under STEP ONE by one (1). The product is the adjusted salary that must be used to calculate the adjusted salary for the next later fiscal year under STEP THREE.

(D) This clause applies if the official's base salary under STEP ONE was reduced by the township legislative body for the next fiscal year. The adjusted salary for the next

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fiscal year is as follows:

(i) Multiply the amount of the official's base salary under STEP ONE by the percentage that the township legislative body reduced the base salary under STEP ONE for the next fiscal year.

(ii) Subtract the product under item (i) from the base salary under STEP ONE.

The difference under item (ii) is the adjusted salary that must be used to calculate the adjusted salary for the next later fiscal year under STEP THREE.

STEP THREE: Determine the adjusted salary for each fiscal year, beginning with the fiscal year following the fiscal year for which the adjusted salary was determined under STEP TWO and proceeding in consecutive order, up to and including the current fiscal year. Determine the official's base salary as set by the township legislative body for each fiscal year that follows the fiscal year determined under STEP TWO, up to and including the current fiscal year. Make the following calculation for each salary adjustment made by the fiscal year after the fiscal year calculated in STEP TWO:

(A) This clause applies if the township legislative body increased the official's base salary from one (1) fiscal year to the next fiscal year by not more than three percent (3%). The adjusted salary for the later fiscal year shall be calculated as follows:

(i) Multiply the amount of the official's adjusted salary for the earlier fiscal year by the percentage that the township legislative body increased the base salary for the later fiscal year.

(ii) Add the product under item (i) to the adjusted salary of the earlier fiscal year.

The sum in item (ii) is the adjusted salary that must be used to calculate the adjusted salary for the next later fiscal year.

(B) This clause applies if the township legislative body increased the official's base salary from one (1) fiscal year to the next fiscal year by more than three percent (3%). The adjusted salary for the later fiscal year shall be calculated as follows:

(i) Multiply the amount of the adjusted salary in the earlier fiscal year by three percent (3%).

(ii) Add the product under item (i) to the adjusted salary

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of the earlier fiscal year.

(C) This clause applies if the township legislative body did not increase the official's base salary from one (1) fiscal year to the next fiscal year. Multiply the adjusted salary of the earlier fiscal year by one (1). The product is the adjusted salary that must be used to calculate the adjusted salary for the next later fiscal year.

(D) This clause applies if the township legislative body reduced the official's base salary from one (1) fiscal year to the next fiscal year. The adjusted salary for the next fiscal year must be calculated as follows:

(i) Multiply the amount of the official's adjusted salary in the earlier fiscal year, by the percentage that the township legislative body reduced the official's base salary for the next later fiscal year.

(ii) Subtract the product under item (i) from the adjusted salary of the earlier fiscal year.

The difference in item (ii) is the adjusted salary that must be used to calculate the adjusted salary for the next later fiscal year.

STEP FOUR: When all previous fiscal years are calculated under STEP THREE up to and including the current fiscal year, the adjusted salary amount calculated for the current fiscal year is the lowest salary that the township legislative body may set for the official for the next fiscal year or any later fiscal years.

(c) This section does not require an official to compensate the township legislative body for any salary paid to the official for a fiscal year that exceeds the adjusted amount for the fiscal year calculated under this section.

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